



Foreign Agricultural Service

GAIN Report

Global Agriculture Information Network

Required Report - public distribution

Date: 7/20/2000

GAIN Report #PL0022

Poland

Poultry and Products

Annual

2000

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Report Highlights:

In 2000, output of poultry meat is expected to peak and then decrease in 2001 due to diminishing profitability. Despite a larger import quota, imports decreased by 73 percent in 1999 because of higher domestic production and reduced demand for mechanically deboned meat (MDM) which is processed into sausages and exported to Russia. In 1999, Poland became one of the major transshipment points of poultry meat to Ukraine and other countries in the former Soviet Union.

Includes PSD changes: Yes
Includes Trade Matrix: Yes
Annual Report
Warsaw [PL1], PL

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I. Situation and Outlook

Polish poultry production has been growing for the past five years in order to meet domestic demand and export markets, primarily in the former Soviet Union (FSU). In 2000, output is expected to peak and then decrease in 2001 due to diminishing profitability of poultry production caused by higher feed costs. Feed costs are expected to increase during the second half of 2000 and the first six months of 2001 due to drought conditions which may reduce the Polish grain crop by 10 to 20 percent.

In 1999, 86 percent of Poland's poultry was produced in large commercial facilities. The remaining 14 percent came from smaller, less intensive household flocks. Of all poultry produced on intensive farms, 76 percent were broilers, 19 percent was turkey (used mostly for further processing) and 5 percent was water fowl (geese and ducks) exported mainly to the European Union. Lower demand from poultry meat processors resulted in large supplies of chicken meat on the market which kept prices low. Despite very low profit margins, many farmers must continue production of broilers in order to maintain preferential credits. Preferential interest rates provided on loans to farmers by the governmental Agency for Restructuring and Modernization of Agriculture revert to commercial interest rates if farmers do not continue production.

The majority of large poultry slaughterhouses also possess facilities for further processing of poultry meat for sausages and smoked meat products. In 1999, production of processed poultry products was 140,000 tons, down from 195,000 tons in 1998. Almost 71 percent of domestic broiler production is processed by 30 large slaughterhouses. Most large slaughterhouses have their own distribution systems and sell directly to retail outlets or supermarkets rather than wholesalers.

Turkey meat production is expected to continue to grow in 2000 but at a slower rate as demand for exported processed turkey products to Russia has diminished. Most turkey meat is processed and competes with pork sausages. The relatively low consumption of fresh and frozen turkey meat stems from the fact that it is not a

traditional meat in Poland and is relatively expensive compared with other meats. However, consumption has begun to increase as prices of fresh and frozen turkey (imported) become more competitive and as Poles have come to perceive it as being healthier.

Consumption of non-processed poultry meat has been developing very quickly during the last five years reflecting lower prices due to increased local production and growing purchasing power of consumers. Consumption of chicken and turkey meat also continue to expand as Poles become more health conscious and substitute poultry for other meats such as beef or pork. A growing number of fast food restaurants have stimulated demand for poultry meat. Other factors which are promoting poultry consumption include relatively lower prices of poultry meat compared with red meats. Overall consumption has remained stable as processing demand for MDM for sausages has declined. Poultry meat is packaged in a variety of ways: whole birds; parts; skinless breasts; and prepared with spices ready to cook.

Despite a larger import quota, total 1999 imports of poultry meat decreased by 73 percent because of higher domestic production and reduced demand for MDM for processing into sausages for export to Russia. Imports of poultry meat from the United States decreased by 76 percent in 1999. The decline in imports from the U.S. reflected reduced overall imports of MDM, frozen turkey for processing and poultry leg quarters. Lower demand for U.S. MDM and frozen turkey occurred because exports of poultry sausages and canned products to FSU decreased. U.S. poultry leg quarters were not competitive on the domestic market due to plentiful supplies of cheap Polish chicken. In 2000, the import quota for poultry meat based on preliminary estimates of 1999 production has been set at 47,736 tons, compared to 43,512 tons in 1999. The within quota tariff rate is 30 percent (min. 0.3 EUR/kg). In 1999, only 30 percent of quota was utilized. Poland remains an important transshipment point for U.S. poultry meat to Ukraine and other parts of the FSU. In 2000, exports of poultry meat (primarily goose meat) are expected to increase by 80 percent as a result of stable production and growing demand. Poland will continue to export water fowl to Germany and other EU members.

To qualify for the within quota tariff rate, importers of poultry meat must obtain a permit from the Ministry of Economy for each contract. Multiple permits are often required. The Ministry of Economy issues permits for a maximum of 100 MT. After proving that the product has been sold the importer may apply for another permit. Traders complain that this procedure is a major obstacle in importing.

All poultry meat importers must obtain a permit from the Polish Veterinary Service. The Polish Veterinary Service requires that imports must be accompanied by a bilingual (Polish and English) health certificate. Each box containing poultry meat must be labeled in Polish and should include the date of production expressed in numbers (not as a bar code), along with the name of the producer and the product's name. In addition, suppliers have to check with importers Polish standards regarding exported products. Poland has a set of quality standards published as Polish Norms. Each norm has its number and is available in the Central Library of Norms in Warsaw. The same norms are set for storage conditions of meat and meat products and validity of the products depending on conditions and temperature of storage.

The Polish Government introduced levies in 1999 for imported products which were priced below threshold prices specified in accordance with Poland's WTO obligations. Poultry meat was included in this group of products. While the tariff for in-quota imports remained unchanged at 30 percent, out of quota imports are subject to a 60 percent tariff plus a levy calculated according to WTO safeguard requirements to increase the value of the product up to the level of the reference price. The reference price is calculated by the Polish Institute of Agricultural Economics.

It is estimated that 90 percent of poultry meat imports and transshipments are carried out by the following private firms: Poland Services, Hudson Poland, Animex, PEK-POL, Haris, Britexa, Omonia, Bessa and Janimex. Maintaining the U.S. share of the Polish market will increasingly depend on U.S. promotional activities stressing product quality in the face of rules such as smaller permit levels which seemed designed to constrain imports and protect Polish poultry producer. Apart from sales to importing firms, there is also an opportunity for direct sales to processors seeking capital, who might be interested in joint ventures or imports for re-export of processed products to Russia or Ukraine. USDA export credit guarantee programs (GSM-102 and Supplier Credit) are available to support sales of U.S. poultry meat to Poland.

Poland is self sufficient in eggs although it does import some hatching eggs. 60 percent of eggs is produced in commercial facilities and 40 percent in households. For the first three quarters of 1999, egg prices did not cover production costs. Many farmers decided to liquidate layer flocks which resulted in lower supplies and led to some improvement in prices at the end of 1999. Egg production in 2000 and 2001 is expected to increase one percent each year in response to improving profitability. In 1999, Poland's imports of eggs were estimated at 84 million pieces, down 7 percent from 1998. Imports are expected to grow by 16 percent in 2000 as result of higher demand for hatching eggs.

II. Statistical Tables

PSD, Poultry, Meat, Total

PSD Table						
Country	Poland					
Commodity	Poultry, Meat, Total				(1000 MT)(MIL HEAD)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Inventory (Reference)	0	0	0	0	0	0
Slaughter (Reference)	0	0	0	0	0	0
Beginning Stocks	15	15	30	10	30	10
Production	540	575	550	580	0	550
Whole, Imports	0	0	0	0	0	0
Parts, Imports	40	14	40	17	0	20
Intra EC Imports	0	0	0	0	0	0
Other Imports	0	0	0	0	0	0
TOTAL Imports	40	14	40	17	0	20
TOTAL SUPPLY	595	604	620	607	30	580
Whole, Exports	0	0	0	0	0	0
Parts, Exports	25	44	30	45	0	40
Intra EC Exports	0	0	0	0	0	0
Other Exports	0	0	0	0	0	0
TOTAL Exports	25	44	30	45	0	40
Human Consumption	540	550	560	552	0	530
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	540	550	560	552	0	530
TOTAL Use	565	594	590	597	0	570
Ending Stocks	30	10	30	10	0	10
TOTAL DISTRIBUTION	595	604	620	607	0	580
Calendar Yr. Imp. from U.S.	20	7	20	7	0	8

Import Trade Matrix

Import Trade Matrix			
Country	Poland		

Commodity	Poultry, Meat, Total		
Time period	Jan-Dec	Units:	Tons
Imports for:	1998		1999
U.S.	27564	U.S.	6505
Others		Others	
Hungary	4063	Hungary	3704
The Netherlands	6086	The Netherlands	1385
Canada	2144	Canada	1084
France	1095	France	582
Great Britain	4633	Great Britain	98
Denmark	1029	Denmark	85
Italy	898	Italy	80
Germany	1183	Germany	40
Estonia	0	Estonia	42
Belgium	2001	Belgium	17
Total for Others	23132		7117
Others not Listed	306		111
Grand Total	51002		13733

Export Trade Matrix

Export Trade Matrix			
Country	Poland		

Commodity	Poultry, Meat, Total		
Time period	Jan-Dec	Units:	Tons
Exports for:	1998		1999
U.S.		U.S.	
Others		Others	
Germany	19766	Germany	19291
Russia	15517	Russia	13347
Ukraine	4718	France	2521
France	2667	Belarus	1608
China	593	Ukraine	1298
Belarus	522	Moldovia	871
Hong Kong	346	Great Britain	496
Belgium	177	Italy	425
Latvia	131	Switzerland	270
Bulgaria	108	Hungary	259
Total for Others	44545		40386
Others not Listed	1858		3569
Grand Total	46403		43955

Producers Price of Chicken Broilers

Prices Table			
Country	Poland		

Commodity	Poultry, Meat, Total		
Prices in	zlotys	per uom	kilogram
Year	1999	2000	% Change
Jan	2.9	2.74	-5.52%
Feb	2.88	2.8	-2.78%
Mar	2.85		-100.00%
Apr	2.75		-100.00%
May	2.7		-100.00%
Jun	2.7		-100.00%
Jul	2.75		-100.00%
Aug	2.9		-100.00%
Sep	2.85		-100.00%
Oct	2.69		-100.00%
Nov	2.69		-100.00%
Dec	2.68		-100.00%
Exchange Rate	4.27	Local currency/US \$	

PSD, Poultry, Meat, Chicken - 16 weeks

PSD Table						
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Country	Poland					
Commodity	Plty, Meat, Chicken -16 wks				(1000 MT)(MIL HEAD)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Inventory (Reference)	0	0	0	0	0	0
Slaughter (Reference)	0	0	0	0	0	0
Beginning Stocks	10	10	10	10	5	11
Production	307	355	315	370	0	355
Whole, Imports	0	0	0	0	0	0
Parts, Imports	30	9	30	11	0	13
Intra EC Imports	0	0	0	0	0	0
Other Imports	0	0	0	0	0	0
TOTAL Imports	30	9	30	11	0	13
TOTAL SUPPLY	347	374	355	391	5	379
Whole, Exports	0	0	0	0	0	0
Parts, Exports	12	13	12	13	0	11
Intra EC Exports	0	0	0	0	0	0
Other Exports	0	0	0	0	0	0
TOTAL Exports	12	13	12	13	0	11
Human Consumption	325	351	338	367	0	358
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	325	351	338	367	0	358
TOTAL Use	337	364	350	380	0	369
Ending Stocks	10	10	5	11	0	10
TOTAL DISTRIBUTION	347	374	355	391	0	379
Calendar Yr. Imp. from U.S.	20	5	20	5	0	5

Import Trade Matrix

Import Trade Matrix			
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Country	Poland		
Commodity	Plty, Meat, Chicken -16 wks		
Time period	Jan-Dec	Units:	Tons
Imports for:	1998		1999
U.S.	23835	U.S.	5365
Others		Others	
The Netherlands	5588	Hungary	1401
Great Britain	3102	The Netherlands	1322
Canada	1741	Denmark	576
Belgium	1648	Canada	209
Denmark	717	Estonia	42
France	513	Russia	20
Germany	420	Iceland	20
Hungary	188	Belarus	19
Italy	50	Ukraine	10
Finland	21	Belgium	3
Total for Others	13988		3622
Others not Listed	121		1
Grand Total	37944		8988

Export Trade Matrix

Export Trade Matrix			
Country	Poland		
Commodity	Plty, Meat, Chicken -16 wks		
Time period	Jan-Dec	Units:	Tons
Exports for:	1998		1999
U.S.		U.S.	
Others		Others	
Russia	12632	Russia	3617
Ukraine	3623	Germany	3414
Germany	3484	France	1688
France	1626	Ukraine	1106
Moldovia	1323	Moldovia	799
Byelarus	260	Byelarus	438
Hungary	178	Great Britain	308
Belgium	177	Hungary	259
The Netherlands	106	The Netherlands	209
Austria	51	Estonia	141
Total for Others	23460		11979
Others not Listed	887		1099
Grand Total	24347		13078

Retail Price of Chicken Broilers

Prices Table			
Country	Poland		
Commodity	Plty, Meat, Chicken -16 wks		
Prices in	zlotys	per uom	kilogram
Year	1999	2000	% Change
Jan	5.12	5.02	-1.95%
Feb	5.16	5.09	-1.36%
Mar	5.24	5.34	1.91%
Apr	5.24	5.6	6.87%
May	5		-100.00%
Jun	4.81		-100.00%
Jul	5.32		-100.00%
Aug	6.17		-100.00%
Sep	6.21		-100.00%
Oct	5.31		-100.00%
Nov	4.93		-100.00%
Dec	4.71		-100.00%
Exchange Rate	4.27	Local currency/US \$	

PSD, Poultry, Meat, Turkey

PSD Table						
Country	Poland					
Commodity	Poultry, Meat, Turkey				(1000 MT)(MIL HEAD)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Inventory (Reference)	0	0	0	0	0	0
Slaughter (Reference)	0	0	0	0	0	0
Beginning Stocks	5	5	5	5	5	5
Production	95	83	100	85	0	87
Whole, Imports	0	0	0	0	0	0
Parts, Imports	11	5	11	6	0	7
Intra EC Imports	0	0	0	0	0	0
Other Imports	0	0	0	0	0	0
TOTAL Imports	11	5	11	6	0	7
TOTAL SUPPLY	111	93	116	96	5	99
Whole, Exports	0	0	0	0	0	0
Parts, Exports	5	13	5	14	0	15
Intra EC Exports	0	0	0	0	0	0
Other Exports	0	0	0	0	0	0
TOTAL Exports	5	13	5	14	0	15
Human Consumption	101	75	106	77	0	79
Other Use, Losses	0	0	0	0	0	0
Total Dom. Consumption	101	75	106	77	0	79
TOTAL Use	106	88	111	91	0	94
Ending Stocks	5	5	5	5	0	5
TOTAL DISTRIBUTION	111	93	116	96	0	99
Calendar Yr. Imp. from U.S.	4	1	4	2	0	2

Import Trade Matrix

Import Trade Matrix			
Country	Poland		
Commodity	Poultry, Meat, Turkey		
Time period	Jan-Dec	Units:	Tons
Imports for:	1998		1999
U.S.	3727	U.S.	1140
Others		Others	
Hungary	3804	Hungary	2268
Great Britain	1532	Canada	874
Italy	848	Italy	80
Germany	762	Germany	40
France	580	France	571
The Netherlands	497	The Netherlands	63
Canada	403	Great Britain	77
Belgium	353	Belgium	14
Denmark	292	Denmark	27
Ireland	84		
Total for Others	9155		4014
Others not Listed	103		42
Grand Total	12985		5196

Export Trade Matrix

Export Trade Matrix			
Country	Poland		
Commodity	Poultry, Meat, Turkey		
Time period	Jan-Dec	Units:	Tons
Exports for:	1998		1999
U.S.		U.S.	
Others		Others	
Russia	2846	Russia	9309
Ukraine	1077	Belarus	1175
Germany	934	Germany	1198
Belarus	263	Italy	302
Kazakhstan	122	Ukraine	145
Bulgaria	107	Estonia	116
Estonia	58	Great Britain	92
Slovak Republic	57	Slovak Republic	60
Moldova	49	Moldova	59
The Netherlands	21	France	40
Total for Others	5534		12496
Others not Listed	40		189
Grand Total	5574		12685

PSD, Poultry, Eggs

PSD Table						
Country	Poland					
Commodity	Poultry, Eggs				(MIL HEAD)(MIL PCS)	
	Revised	1999	Preliminary	2000	Forecast	2001
	Old	New	Old	New	Old	New
Market Year Begin		01/1999		01/2000		01/2001
Layers	0	55	55	55	0	56
Beginning Stocks	140	140	145	167	150	152
Production	7900	7500	8000	7600	0	7700
Hatch Eggs, Imports	30	30	30	40	0	40
Shell Eggs, Imports	70	54	70	60	0	60
Other Imports	0	0	0	0	0	0
Intra EC Imports	0	0	0	0	0	0
TOTAL Imports	100	84	100	100	0	100
TOTAL SUPPLY	8140	7724	8245	7867	150	7952
Hatch Eggs, Exports	0	0	0	0	0	0
Shell Eggs, Exports	20	32	20	30	0	30
Other Exports	0	0	0	0	0	0
Intra EC Exports	0	0	0	0	0	0
TOTAL Exports	20	32	20	30	0	30
Hatch Eggs, Consumption	450	400	500	410	0	420
Shell Eggs, Human	7200	6800	7250	6950	0	7000
Shell Eggs, OT. Use/Loss	25	25	25	25	0	0
Other Dom. Consumption	300	300	300	300	0	300
Total Dom. Consumption	7975	7525	8075	7685	0	7720
TOTAL Use	7995	7557	8095	7715	0	7750
Ending Stocks	145	167	150	152	0	202
TOTAL DISTRIBUTION	8140	7724	8245	7867	0	7952
Calendar Yr. Imp. from U.S.	4	1	5	2	0	2

Import Trade Matrix

Import Trade Matrix			
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Country	Poland		
Commodity	Poultry, Eggs		
Time period	Jan-Dec	Units:	1,000 pieces
Imports for:	1998		1999
U.S.	3141	U.S.	1080
Others		Others	
Czech Republic	24810	Czech Republic	10422
India	18523	France	8640
The Netherlands	17562	Slovak Republic	1314
France	7272	Denmark	1944
Germany	4789	The Netherlands	15264
Slovak Republic	3918	Canada	252
Denmark	3373	Hungary	180
Canada	2293	India	34560
Hungary	1663	Russia	2016
Mexico	1441	Belgium	6624
Total for Others	85644		81216
Others not Listed	1450		2124
Grand Total	90235		84420

Export Trade Matrix

Export Trade Matrix			
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Country	Poland		
Commodity	Poultry, Eggs		
Time period	Jan-Dec	Units:	1,000 pieces
Exports for:	1998		1999
U.S.		U.S.	
Others		Others	
Czech Republic	18707	Belgium	5400
Ukraine	2152	Switzerland	4950
Bosnia&Herceg.	1053	Germany	4914
Lithuania	458	Latvia	4428
The Netherlands	316	The Netherlands	3168
Bahama Islands	310	Lithuania	2952
Jugoslavia	297	Argentina	1584
Hungary	262	Romania	486
Russia	34	Slovak Republic	504
		Sweden	360
Total for Others	23589		28746
Others not Listed	1550		3168
Grand Total	25139		31914

Retail Prices for Table Eggs

Prices Table			
Country	Poland		

Commodity	Poultry, Eggs		
Prices in	zlotys	per uom	100 'pieces
Year	1999	2000	% Change
Jan	30	35	16.67%
Feb	29	34	17.24%
Mar	29	33	13.79%
Apr	29	33	13.79%
May	28		-100.00%
Jun	26		-100.00%
Jul	24		-100.00%
Aug	24		-100.00%
Sep	25		-100.00%
Oct	27		-100.00%
Nov	28		-100.00%
Dec	32		-100.00%
Exchange Rate	4.27	Local currency/US \$	

Average Meat Consumption

(kilograms per capita)

	Pork	Beef	Poultry
1996	40.1	8.6	10.2
1997	35.4	8.3	12.4
1998	37.6	8.1	13.1
1999	38.5	7.7	14.0
2000	37.5	7.3	14.0

Feed Strategic Indicator Table

FEED DEMAND				
STRATEGIC INDICATOR TABLES FOR POLAND				
MEAT PRODUCTION				
Country:		Last Year	Current Year	Out Year Forecast
Calendar Year:	1998	1999	2000	2001
Poultry				
Poultry Meat:	530	575	580	550
Eggs:	7,700	7,500	7,600	7700
Pork:	1,690	1,730	1,610	1500
COMPOUND FEED SECTOR				
Country:		Last Year	Current Year	Out Year Forecast
Calendar Year:	1998	1999	2000	2001
Compound Feed Capacity, 000 MT	5,000	5,000	5,000	5,000
Total Compound Feed Produced, 000 MT	4,022	3,750	3,840	3,850
----- by integrated producers, 000 MT	0	0	0	0
----- by commercial producers, 000 MT	4,028	3,750	3,840	5,000
FEED GRAIN USE				
Country:		Last Year	Current Year	Out Year Forecast
Marketing Year:	1998	1999	2000	2001
Corn (Domestic consumption: feed), 000 MT	814	850	1,000	800
Wheat (Domestic consumption: feed), 000 MT	4,210	4,250	3,775	4,000
Barley (Domestic consumption: feed), 000 MT	3,089	2,900	3,150	3,000
Rye (Domestic consumption: feed), 000 MT	3,242	2,700	2,700	2,700
Oats (Domestic consumption: feed), 000 MT	1,170	1,160	1,050	1,150
Mixed Grains (Domestic consumption: feed), 000 MT	5,640	5,560	4,140	5,200
PROTEIN - ENERGY USAGE				

Country:		Last Year	Current Year	Out Year Forecast
Marketing Year:	1998	1999	2000	2001
Total Protein Meal (feed waste domestic consumption), 000MT	1,284	1,174	1,181	1,200
Soy Bean Meal (feed waste domestic consumption), 000 MT	930	840	850	870
Other Protein Meal, e.g. Palm Kernel Meal, Rape Meal (feed waste domestic consumption), 000 MT	354	334	331	330
Fish Meal, 000 MT	11	11	11	11
Palm Crude Oil (feed waste domestic consumption), 000 MT	0	0	0	0
TRADE (in Metric Tonnes)				
Country:		Last Year	Current Year	Out Year Forecast
Calendar Year:	1998	1999	2000	2001
Corn				
Imports:	480,000	181,000	500,000	500,000
Exports:	57	86	0	0
Soy Beans				
Imports:	1	0	0	0
Exports:	0	0	0	0
Soy Bean Meal				
Imports:	982,000	853,000	850,000	850,000
Exports:	0	2	0	0
Fish Meal				
Imports:	2	2	2	2
Exports:	7	8	6	6
Palm Crude Oil				
Imports:	0	0	0	0
Exports:	0	0	0	0
PROTEIN PRODUCTS TARIFFS AND TAXES		Bound Rate	Applied Rate	Other
Country:	Product	(%)	(%)	Import
Report Year:	Description 1/			Taxes/Fees

0505.90	FEATHER MEAL	5	5	0
1501.00.00.60	YELLOW GREASE	12.8+0.17 EUR/kg	20	0
1502.00.00.40	INEDIBLE TALLOW	15	15	0
1511	PALM OIL	25	10-25	0
1518	ANML/VG FTS &OILS	27	15	0
2301.10	MEAT AND BONE MEAL	25	10	0
2301.20	FISH MEAL	25	10	0